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Report Highlights:

1. Special almond measures in force on September
 2. EU Economic Partnership Offer to ACP Countries Released
 3. Commission proposal to end corn (maize) intervention system - update
 4. Member States Review 3 Biotech Products
 5. Regulation to introduce MIPs
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Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Brussels USEU [BE2]
[E4]

EU Weekly Roundup and Policy Update is a digest of European agricultural issues. The topics covered in this report are intended to help inform U.S. government policy officials of European regional, national and international developments as they unfold. We include breaking news provided by FAS colleagues posted in EU member state countries, and also provide links to more detailed reports and web sites.

DISCLAIMER: The information contained herein is compiled from a number of sources, including press releases from the European Commission. This report therefore does not reflect official views or policies of the U.S. Department of Agriculture, or of any other U.S. Government department or agency.

1. SPECIAL ALMOND MEASURES IN FORCE ON SEPTEMBER - Special measures for testing U.S. almonds on aflatoxin are anticipated to go into effect on September 1. The original concerns were raised in Oct 2006. The U.S. industry and USDA have worked closely together with the EU, DG Sanco and the EU industry as the US industry developed a new voluntary aflatoxin testing program to address their concerns. The delay until September 1 was specifically requested during the meeting between Secretary Johanns and EU Commissioner Kyprianou in early March. A formal vote on the measures is expected during a Standing Committee Meeting in May. U.S. almonds exports to the U.S. represent the single largest U.S. agricultural export to the EU market, representing up to 1 billion USD annually.

These special measures imply that product which has not been tested for aflatoxin will become subject to 100 pct mandatory testing upon import into Europe, while product that was tested in the U.S. under the voluntary aflatoxin sampling program will be subject to approximately 5 pct testing at EU border. The 5 percent testing level is considered by the EU as a normal testing level for consignments that are not subject to any special measures. See also the webpage on [contaminants](#).

2. EU ECONOMIC PARTNERSHIP OFFER TO ACP COUNTRIES RELEASED - On April 4th the European Union offered full market access to African, Caribbean, and Pacific (ACP) countries as part of the Economic Partnership Agreement (EPA) negotiations. The EPA is currently under negotiation with the ACP and requires the ACP countries to accept the offer by the end of 2007 to enact the trade concessions. In return the European Union will receive modest trade concessions from ACP countries.

The new offer incorporates liberalization for products that were previously under quota in the Cotonou Agreement, the predating ACP agreement. Immediate duty free, quota free access is granted for beef, dairy products, fruits and vegetables, including bananas, and cereals. Duty free, quota free access will be phased in for rice and sugar. In the case of sugar EU import restrictions will be eliminated in 2015. According to the information on the EU's Trade website the transitional period for rice had not been established.

Some Member States have criticized the EU offer citing that trade concessions made to ACP countries as part of the EPA will disturb the ongoing reform of the sugar and banana sectors. See also the DG Trade [Webpage](#).

3. COMMISSION PROPOSAL TO END CORN (MAIZE) INTERVENTION SYSTEM: UPDATE - The European Parliament's Agriculture Committee that met on 12 April voted by 24 votes to 10 against the European Commission's proposal to end the system of public intervention purchases for corn (maize). The Commission's proposal, initially made on 15 December last year, would abolish the system with effect from the 2007/08 marketing year. Although the proposal is not subject to the co-decision procedure that requires Parliament's approval, a negative opinion from that institution delays a decision. It is expected that the Parliament will discuss the issue again on 4 and 5 June.

The German Presidency had previously offered a compromise during the Special Committee of Agriculture of 26 March whereby a ceiling for corn intervention in 2007/08, a lower ceiling for 2008/09 and a complete phasing out by the end of 2009 would be agreed. This would

allow the system to be reviewed within the framework of the 'Health Check' in 2008. The compromise did not receive enough support from Member States to include the item in the agenda of the Agriculture Council of 16 and 17 April. See also our webpage on [grain](#).

4. MEMBER STATES REVIEW 3 BIOTECH PRODUCTS - Member States (MSs) met in Brussels yesterday to review the Commission's proposal recommending authorization of the marketing of 3 biotech products: Pioneer's corn (1507 X NK603); Monsanto's corn (NK603 X MON 810); and Monsanto's roundup ready sugar beet (H7-1). None of the products were being considered for cultivation in the EU-27, only for import for food and feed purposes.

After a review and discussion of the corn products, the MSs decided to meet again on May 10 to possibly vote on authorization of these products. The MS voted on approval of the sugar beet, but failed to reach a qualified majority in favor or against. The application will now move to the Council of Ministers for consideration and a vote. The vote tally concerning the sugar beet product was: 16 in favor, 9 against, and 2 abstentions. See also our [webpage](#).

5. REGULATION TO INTRODUCE MIPS - [Council Regulation 407/2007](#) replaces the 34.2% anti-dumping duty on Chinese frozen strawberries with Minimum Import Prices (MIPs) of € 496.8 per tonne for strawberries with a sugar content above 13%, € 566.3 per tonne for strawberries with a sugar content of less than 13 % and an MIP of € 598 per tonne for strawberries without any added sugar at all –which covers the largest category of the red fruit.

The Commission agreed to introduce anti-dumping duties last October in order to protect Polish strawberry farmers from cheap Chinese imports.

RECENT WEBSITE UPDATES (March 30-April 5, 2007)

Issue	Link to	Website
Agricultural council	Link to April 16 Agricultural Council	http://useu.usmission.gov/agri/institutions.html
WTO notifications	G/SPS/N/EEC/298 & 301: food contact materials (update status) G/SPS/N/EEC/303 & 304: new (pesticides)	http://useu.usmission.gov/agri/WTOnotif.html
CAP	Link to Council Regulation 378/2007 on voluntary modulation	http://useu.usmission.gov/agri/cap.html
Animal welfare	Link to Commission fact sheet	http://useu.usmission.gov/agri/welfare.html

Recent reports from USEU Brussels, EU Member State posts:

Report Number	Post	Title	Date Released
E47027	USEU	Weekly Roundup and Policy Update	04/05/07
E47028	USEU	CSSF Revised Budget CSSF Mid-Year Review	04/13/07
E47029	USEU	Sugar Annual	04/17/07
BU7007	Sofia	In-Store Promotion Evaluation Report	04/19/07
PL7019	Warsaw	Increase of Farmer's Agricultural Income in 2006	04/19/07
GM7019	Berlin	Germany's Reaction to Reform Proposal for Fruit and Vegetable CMO	04/18/07
NL7009	The Hague	Dairy Monthly Market Report	04/18/07
FR6034	Paris	Grain Exported from French Ports - May 2006	04/17/07
IT7010	Rome	An Italian Yes on Biotech	04/17/07
EN6001	Helsinki	Estonia's Sugar Woes	04/17/07
BU6006	Sofia	Classical Swine Fever Outbreak and Pork Market Effect	04/16/07
BU6005	Sofia	Use of agricultural EU pre-accession funds in Bulgaria	04/16/07
UK7009	London	CSSF Budget Mid-Year Review	04/16/07
PL7018	Warsaw	CSSF Budget Mid-Year Review	04/16/07
GM7018	Berlin	CSSF Budget Mid-Year Review	04/13/07
PL7018	Warsaw	CSSF Budget Mid-Year Review	04/13/07
FR7015	Paris	FY07 - CSSF Mid Year Review	04/13/07
LH7003	Warsaw	Lithuanian government disapproves second field trial application	04/12/07
SW7005	Stockholm	CSSF Budget Mid-Year Review	04/11/07
LH7002	Warsaw	Biotechnology Policy and Public Opinion	04/06/07
BU7006	Sofia	EU accession impact on Bulgaria	04/06/07
FR7014	Paris	France Creates New Country Wine Denomination "Vignobles de France"	04/05/07
SP7015	Madrid	Biotechnology Seed Corn Imports	04/03/07
These reports can be accessed through our website http://useu.usmission.gov/agri/ through the FAS website http://www.fas.usda.gov/scripts/attacherep/default.asp .			